

JOINT MEETING  
CAYUCOS SANITARY DISTRICT AND CITY OF MORRO BAY  
WASTEWATER TREATMENT PLANT  
(UNDER JOINT POWERS AGREEMENT)

Cayucos Sanitary District  
Board of Directors:  
Robert B. Enns, President  
Craig P. Bell, Jr., Vice-President  
Hal Fones, Director  
Nat Raimondo, Director  
Bill Gibeaut, Director

City of Morro Bay  
City Council:  
Janice Peters, Mayor  
Betty Winholtz, Vice-Mayor  
Melody DeMeritt, Councilmember  
William Peirce, Councilmember  
Thad Baxley, Councilmember

DATE: 7:00 p.m., Thursday, December 15, 2005  
PLACE: Multi-Purpose Room  
Community Center  
1001 Kennedy Way  
Morro Bay, CA 93442

MINUTES

CALL TO ORDER AND ROLL CALL

Cayucos Board President Enns called the meeting to order at 7:03 p.m. and asked Board Secretary Bonnie Connelly to take roll.

City Council members present were Mayor Janice Peters, Vice-Mayor Betty Winholtz, William Peirce, and Thad Baxley. Council member Melody DeMeritt was absent. Morro Bay staff present were Robert Hendrix, Bruce Keogh, Bruce Ambo, and City Attorney Robert Schultz.

Board members present were President Robert Enns, Vice-President Craig Bell, Jr., and Directors Hal Fones, Nat Raimondo, and Bill Gibeaut. Cayucos staff present were Bonnie Connelly, Bill Callahan, District Counsel Tim Carmel, and Nancy Martin.

PUBLIC COMMENT PERIOD

Joey Racano and Marla Bruton (Ocean Outfall Group), Morro Bay citizens Roger Anderson, Roger Ewing and Dana Putnam, a representative of the Morro Bay National Estuary Program, and Peter Risley from Cayucos all recommended shortening the time line for the treatment plant upgrade as well as considering tertiary treatment of the effluent.

Attorney for the Natural Resource Defense Council, Anjali Jaiswal, distributed a listing of a number of sewer treatment plant upgrades in California that showed less time to complete and urged the governing bodies not to approve the Settlement Agreement with a 9½ timeline.

Andrew Christie of the Santa Lucia Chapter of the Sierra Club suggested tabling the Settlement Agreement and getting a second opinion before proceeding.

A. NEW BUSINESS

1. Discussion and Consideration of Approval of Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region, for Issuance of Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant

Councilmember Peirce pointed out that there is nothing in the Settlement Agreement that requires the project not be completed in less than 9½ years. President Enns added that both governing bodies are doing their best to move the project forward as quickly as possible. Enns invited comments from Morro Bay Attorney Rob Schultz and District Counsel Tim Carmel.

Schultz reported that Morro Bay/Cayucos staff and the Regional Water Quality Control Board (RWQCB) have been working on the Settlement Agreement since July 2005 and that RWQCB will be tentatively accepting the agreement at the February 2006 meeting. Additionally, the Request for Proposals for the Facilities Master Plan has been submitted ahead of schedule. Carmel concurred with Schultz and indicated that the Settlement Agreement was negotiated in good faith by all parties.

Mayor Peters opened the meeting for questions from Councilmembers.

Winholtz asked for shortening the timeline and including the best technology in the Settlement Agreement.

Carmel answered that levels of treatment will be considered in the Facilities Master Plan and did not advocate inclusion in the Settlement Agreement.

President Enns asked for questions from Boardmembers.

Gibeaut pointed out a clerical error on Page 12 of the Settlement Agreement. The final sentence in Item E-3 refers to “this paragraph 4”, which should read “this paragraph 3”. Carmel indicated the correction would be made.

Fones asked for clarification of Item C-1(f) which refers to missing the due date of a task in the Conversion Schedule. Carmel stated that the item refers to liquidated damages and will encourage adherence to the timeline. Fones also expressed dissatisfaction in the late release of the Settlement Agreement. Carmel answered that if more time is needed for deliberation, no penalties will be levied if the agreement is not signed tonight, but reiterated the importance of moving ahead.

Councilmembers Peirce and Baxter both stated they support approval of the Settlement Agreement, and that 9½ years provides protection against possible fines. Peirce anticipates that dealing with the Coastal Commission could be a lengthy process.

Winholtz stated that one should not assume that there will be fines and asked that the timeline be shortened and higher standards set.

Mayor Peters answered that as technology changes, additional time is necessary for making important decisions, and that money is an issue, ultimately affecting customers. She commended Keogh for the project being ahead of schedule at this time.

Winholtz recommended undertaking tasks simultaneously and addressing treatment alternatives at an earlier date than the Conversion Schedule asks.

Keogh answered that from staff's standpoint the project is moving ahead as quickly as possible and that time is necessary to work out differences and to use the best technology. He pointed out that submittal of the Final Facilities Master Plan will coincide with certification of the Final CEQA Document. He added that 18 months from the Award of Contract for the Facilities Master Plan, the choices for treatment alternatives will probably be known.

Director Raimondo recommended not shortening the timeline as penalties would ultimately go to the customers.

Fones agreed and commended Keogh on progress made.

CAYUCOS MOTION: Raimondo, 2nd Gibeaut to Accept the Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region, for Issuance of Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant as prepared, with correction of clerical error in Item E-3. VOTE: 5-0

MORRO BAY MOTION: Baxley, 2nd Peirce to Accept the Settlement Agreement with California Regional Water Quality Control Board, Central Coast Region, for Issuance of Permits to and Upgrade of the Morro Bay-Cayucos Wastewater Treatment Plant as prepared, with correction of clerical error in Item E-3. VOTE: 3-1, with Winholtz dissenting and DeMeritt absent.

## 2. Schedule Next Joint Meeting and Agenda Items

Both attorneys recommended the governing bodies attend the Regional Board meeting in February.

The next regular WWTP(JPA) meeting was scheduled for February 16.

The meeting was adjourned at 8:10 p.m.

Minutes recorded by: \_\_\_\_\_  
Nancy Martin